



HOW THE DISORGANIZED CAN GET ORGANIZED FOR TAXES

We call it "tax season," but it can also be seen as a national test of organizational skills.

Few things are as taxing on our organizational abilities than the months leading up to income tax filing day. Does that mean weeks of torture for the perpetually disorganized? Not necessarily. You can take steps to make the process go smoothly, and the smartest thing to do is to get started right away. Here are some tips that should help.

START BY GATHERING THE ESSENTIALS.

You should have your W2, 1099s, interest and dividend statements and anything else that documents your taxable income for the year. If you're itemizing instead of taking the standard deduction, you'll need receipts for business expenses, acknowledgements of charitable contributions, mortgage payments and other proof of expenditures that reduce your taxes. Reviewing last year's federal and state returns gives you a good idea of what you'll need.

DECIDE WHO WILL PREPARE YOUR RETURN.

Even the well organized often need help with tax preparation. Should you do it yourself or hire someone?

If you decide to hire someone, choose wisely. When the tax preparer makes a mistake, you're held accountable. Ask about the person's credentials and area of expertise. If you want a preparer who can stand in for you if there's a problem with the Internal Revenue Service, it will be a certified public accountant, a tax attorney or an enrolled agent. An enrolled agent is certified and licensed by the federal government to practice before the IRS. You may get good service at one of the commercial tax preparation chains, but the training and experience of the preparers at those companies vary. Ask friends and relatives if they've used a preparer they would recommend. Your EAP can refer you to a tax preparer and even get you a discount on the fee.

If you're doing your own return, make sure you understand the basics, such as which filing status is appropriate and most advantageous for you, what has to be reported as income, and what qualifies as a deduction. Even if you've done your own taxes for years, consider whether significant changes in your life – such as a large inheritance, marriage, divorce, or real estate transactions – have made your tax situation more complicated than you're comfortable handling.

And remember this: complexity isn't the biggest cause of tax return errors. The most frequent mistakes are the simple ones, such as incorrect math, omitting Social Security numbers and failing to sign and date the return. So pay attention to detail and check your work before submitting your return.

HOW SHOULD YOU FILE YOUR RETURN?

The IRS and the state promote electronic filing over paper returns, and it's becoming more and more popular. More than 80 percent of California income tax returns will be filed electronically this year. Besides saving trees, it makes processing more efficient and speeds refunds. You can file electronically on your home computer, or have a paid preparer do it for you. Some taxpayers qualify for the IRS's Free File program and can go online to use commercial tax preparation software and file electronically – for free.

AND IF YOU JUST CAN'T GET IT DONE IN TIME . . .

You can file for a six-month extension that gives you until October 15 to file your return. However, you have to file for the extension by April 15, and if you owe the IRS money, they'll charge you interest until you pay up. If what you owe is more than you can pay, the IRS will work out a payment schedule with you.

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In addition to contacting your EAP, you can get advice on preparing your tax returns or find a professional preparer at these websites.

- » Check with the IRS for answers to frequently asked questions, tips on tax preparation, updates on changes that affect your return and more at www.irs.gov.
- » For information about California income taxes, go to <http://www.ftb.ca.gov/individuals/index.shtml#Assistance>.
- » If you're looking for a certified public accountant in your area, the American Institute of Certified Public Accountants can help at <http://www.aicpa.org/>.
- » You can find an enrolled agent through the National Association of Enrolled Agents at www.naea.org/.
- » The American Bar Association provides resources for finding a lawyer at <http://www.abanet.org/lawinfo/find1.html>.

This article is for informational and self-help purposes only. It should not be treated as a substitute for financial, medical, psychiatric, psychological or behavioral healthcare advice, or as a substitute for consultation with a qualified professional.

Do you need help with tax preparation or other personal financial matters? Call your EAP!

Your Employee Assistance Program can help with these and other problems you may face. You can ask about:

- » Financial Services
- » Legal Services
- » Childcare and Eldercare Assistance
- » Identity Theft Recovery Services
- » Daily Living Issues

Call *any time* for a telephonic consultation.

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